

ARTICLE APPEARED
ON PAGE A1

WASHINGTON POST
29 November 1985

Army's Covert Role Scrutinized

Financial Probe Raises Fear That Special Units 'Got Carried Away'

By Caryle Murphy
and Charles R. Babcock
Washington Post Staff Writers

A wide-ranging investigation into how secret Army units spent more than \$300 million over the past five years has stirred a debate in the Defense Department about the military's covert operations.

Some senior Army officers believe the secret units—given new attention and resources after the humiliating attempt to rescue American hostages in Iran—"got carried away," in the words of one four-star general, and failed to properly account for money used in clandestine missions.

A split has developed among active and retired Army leaders over the service's venture into "this James Bond stuff," as one two-star general put it.

The network of secret units was built up by the Army after the failed Iranian operation in April 1980 to strengthen its ability to conduct "special operations" and work with the Central Intelligence Agency, according to military officials.

But two years ago, Army investigators began checking allegations that members of the secret units were more zealous in carrying out their missions than they were prudent in keeping track of the cash they spent.

As a result of the continuing investigation, one Army officer has been indicted for fraud in civilian proceedings; three others face courts-martial and a fourth was acquitted on all charges last weekend.

A parallel investigation has led to disciplinary action against more than 80 members of the Army's elite hostage rescue team, known

as the Delta force, according to Army sources. Among the other units under investigation is a secret Army-CIA aviation outfit known as Seaspray whose missions included White House-ordered surveillance flights over Central America with U.S. soldiers posing as civilian pilots, according to military sources.

Investigators also are scrutinizing expenses incurred by soldiers on electronic bugging missions, which included such targets as Soviet cars in Europe, visiting Soviet officials in the United States and the conference room of a head of state in Central America, the military sources said.

The Army's clandestine work was a small part of the renewed emphasis by the Reagan administration on special operations forces—which include Army Green Berets and Rangers, Navy Seal commandos and a special Air Force wing. The annual budget for these forces has doubled to about \$1.2 billion in recent years, according to public testimony by administration officials.

The Army missions, however, occasionally spawned rivalries with other covert military units and the CIA, knowledgeable military sources said.

Furthermore, the financial investigation has damaged morale in the secret units and scared away potential recruits, according to some soldiers. Others contend that those under investigation are being judged by conventional accounting rules that ignore the fact that their covert undertakings required them to disguise their movements and activities, which meant hiding the ways they spent money and where it came from.

Retired Gen. Edward C. (Shy) Meyer, who was Army chief of staff when the units were created, said in a telephone interview from Florida last week that the investigation is being conducted by "traditional investigators who operate with a clear-cut set of regulations and rules and now are in a world where there's a different set of rules."

Last Saturday, in the first case to come to trial, an Army court-martial acquitted Master Sgt. Ramon Barron of larceny and dereliction of duty. At his trial, Col. James E. Noble, the military judge, also touched on that point.

"The Army chose this extraordinary means to circumvent accountability for money," Noble told the prosecutor, adding that the government was "hard-pressed . . . to show that a mechanism for a claim exists"

Some officials say they believe the current Army leadership—disturbed at the units' deviation from an orthodox military role—is using the investigation to undermine the service's clandestine capability.

However, many officials interviewed for this article say the current Army leaders, who inherited the covert units, support the emphasis on special operations forces but believe they must be controlled with more vigorous oversight. One senior general, who requested anonymity, said the Army recently tightened control over special operations and intelligence forces in response to the investigation.

Army Secretary John O. Marsh, CIA officials and Gen. Max R. Thurman, the vice chief of staff who is personally directing the financial investigation, declined to be interviewed about the inquiry or the role of special operations forces.

Continued